LNF & IHCIF Calculations Illustration
- Choctaw in Oklahoma area -

Given Data

- 32,289 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 12% = % Expenditures on purchased services, 88% = % expenditures in-house
- 90.8% = Cost index for purchasing health care in this geographic area
- 85.8% = Size cost index for in-house costs due to small or large size
- 96.9% = Oklahoma area cost index for health status above or below average

Cost Adjustment Calculations

- $331 per person for purchased services = 12% * 90.8% * $2,980
- $2,244 per person for in-house services = 88% * 85.8% * $2,980
- $2,576 per person total = $331 (purchase) + $2,244 (in-house)
- **$2,496 per person total** adjusted for health status = $2,576 * 96.9%
- **$1,751 per person net cost** = $2,496 - $745 Other resources (M&M&PI)

Existing Expenditures (for 32,289 users excluding wrap-around and collections)

- $655 per person = local IHS allowance (excludes $ for wrap-around)
- $77 per person = expenditures elsewhere in Oklahoma area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$786 per person for OU users** = $655 + $77 + $54

LNF Calculation

- **31.5% Gross LNF** = $786 (expenditures) / $2,496 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **44.9% Net LNF** = $786 / $1,751 net cost ($2,496 - $745 other)

IHCIF Allocation

- $8,556,253 = $ to raise LNF% from 44.9% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$298,442 Allocation** = $8,556,253 needed for 60% * 3.488% IHCIF fraction

Choctaw Unmet Needs

- **$56,551,368 Net Total Need** = 32,289 users * $1,751 net cost
- **$31,176,800 Net Unmet Need** = (100% - 44.9% LNF) * 32,289 users * $1,751 net cost